

**MINUTES
REGULAR BOARD MEETING
JACKSONVILLE TRANSPORTATION AUTHORITY
TUESDAY, MARCH 31, 2020 – 2:00 P.M.**

The regular Board meeting of the Jacksonville Transportation Authority was held on Tuesday, March 31, 2020. Board of Directors and JTA Staff attended electronically.

BOARD MEMBERS ELECTRONIC

Kevin J. Holzendorf, Chairman
Arezou Jolly, Vice Chair
G. Ray Driver, Treasurer
Deborah Buckland, Secretary
Isaiah Rumlin, Immediate Past Chairman
Nicole Padgett

JTA EXECUTIVE STAFF ELECTRONIC

Nathaniel P. Ford Sr., Chief Executive Officer
Cleveland Ferguson III, SVP Administration
Lisa Darnall, VP Transit Operations
Greg Hayes, VP Finance & Technology
Kelli O’Leary, VP Engagement
Andy Rodgers, VP Construction & Capital Programs
Bernard Schmidt, VP Automation

BOARD MEMBERS NOT PRESENT

Greg Evans, FDOT

OTHERS PRESENT ELECTRONIC

Richard Milian, General Counsel
Katie Smith, Board Liaison
Larry Parks, FDOT
Jessica Shepler, AVP Public Affairs
Chris Geraci, AVP Safety & Security
Khisha Dukes, AVP Finance
Bonnie Todd, Incoming AVP
Greer Gillis, Incoming VP

A. CALL TO ORDER - Chairman Holzendorf called the meeting to order at 2:01 p.m.

Chairman Holzendorf asked for a moment of silence for frontline workers including bus drivers, maintenance employees, customer service representatives, first responders and police officers.

Chairman Holzendorf provided the safety message for the month of March, “Safety starts with S, but it begins with you!” He stated this is especially important to remember during these challenging times. Chairman Holzendorf advised everyone to follow the Centers for Disease Control (CDC) guidelines related to hand washing, sanitizing, social distancing and to stay at home as much as possible. These steps and precautions are in place to help ensure you, your family and our community remain safe.

B. APPROVAL OF MINUTES FROM JANUARY 28, 2020 BOARD MEETING, MARCH 16, 2020 SPECIAL BOARD MEETING AND MARCH 20, 2020 EMERGENCY BOARD MEETING

MOTION (Jolly/Buckland). Motion Approved (5-0).

C. **COMMENTS FROM CITY COUNCIL LIAISON** – Councilman Newby thanked Jacksonville Transportation Authority (JTA) frontline workers for their work for the citizens of Jacksonville. He stated the City will get through this because we are “Duval Strong”.

D. **COMMENTS FROM THE PUBLIC** – None

E. **CHIEF EXECUTIVE OFFICER’S (CEO’s) REPORT** – Mr. Ford stated earlier this month the Authority began a modified Saturday schedule for customers and asked all non-essential employees to conduct their duties at home. These, along with a few other changes to how the Authority conducts business, are in accordance with local, state and national partners in responding to this pandemic. Mr. Ford stated that his report is to provide an update on how the Authority would proceed beyond March 31, 2020 based on the direction of President Trump and Mayor Curry relating to COVID-19. This means any changes JTA has made so far, for essential and non-essential employees will continue until further notice. Mr. Ford stated everyone should be practicing good hygiene and following the recommendations from the CDC at this point. He stated the news and social media has shown an increase of cases in Florida as more people are tested and results from the last few weeks start to come in. This was expected, and does not change JTA’s commitment to its customers and this community. As this situation continues to develop, we will continue to update JTA’s plan to do what is best for the health and safety of employees, our customers and our community. Mr. Ford stated JTA has made some significant changes to transit operations, and other measures could follow. JTA has restricted boarding to 20 customers per bus, with seats blocked off to promote safety and social distancing. This is being done by putting extra (plug) buses into service. Several seats at Rosa parks Transit Station were removed and customers are being reminded about social distancing with new signage and audio recordings. Mr. Ford stated he appreciated the comment made by Councilman Newby regarding what a great job JTA employees are doing during this situation. He thanked the JTA employees for their bravery during this time and for continuing to put customers first. Mr. Ford added that cleaning of vehicles and facilities has been enhanced as well as providing bus operators with cleaning materials and hand sanitizer. There are thousands of people who do not have a choice to stay at home right now, which we have seen with an average of fifteen thousand daily riders for the past two weeks. Together, we are helping our entire community get through this unprecedented situation.

Mr. Ford shared that throughout this crisis, the JTA has contributed and responded to the requests to partner together for the community. The City was provided cooling buses for the COVID-19 testing facilities. These buses are being used as an office and a safe zone for those working at the test sites. JTA staff is also working on how the Authority can support small business

contractors with a virtual forum on procurement opportunities. Mr. Ford stated JTA's mission is to improve the economy and quality of life of Northeast Florida through the first-rate delivery of services and effective use of facilities and JTA staff is engaged and prepared to assist in this mission.

Mr. Ford acknowledged the two new members of the Executive Leadership Team, Bonnie Todd and Greer Johnson Gillis were in attendance. Ms. Todd physically started on March 30, 2020 but has been with JTA for two weeks. Mr. Ford stated Greer Johnson Gillis will officially start on April 6, 2020, but she has been engaged with the Incident Management Team meetings and financial strategy meetings through this crisis.

Mr. Ford stated that at the Emergency Board Meeting on March 20, 2020, the Board approved an increase in the CEO's spending authority during the state of emergency. He stated as of March 31, 2020, he has not executed any contracts above the regular spend authority of \$200k.

Chairman Holzendorf stated if anyone has any questions during the Board meeting to go ahead and ask questions at that time. He stated as the Board continues to have virtual meetings he wants to make sure all questions are answered and policies are followed to ensure the JTA team has the support of the Board.

F. DIVISION UPDATES – Mr. Ferguson started the updates with asking Mr. Schmidt to share the exciting things that are happening in Automation. Mr. Schmidt stated that on March 27, 2020, a Memorandum of Understanding was signed with Mayo Clinic to provide services that will assist them in the COVID-19 crisis. This partnership is for Autonomous Vehicles (AV) to provide service and routes to transport COVID-19 test samples from the drive-thru area to the laboratory. There are 13 employees on-site at the Mayo Clinic Campus, 11 from JTA and 2 from Beep. Mr. Schmidt stated this unique and being done by JTA and those partners that brought vehicles to Jacksonville to support the efforts. The autonomous shuttle transporting the COVID-19 test samples does not have a human onboard due to the safety of the individuals handling the test samples. They are in full autonomous mode following a fixed-route and path. The service started on March 30, 2020 at 8:00 a.m. Mr. Schmidt stated six missions were ran, five COVID-19 and one bone alkaline phosphatase (BAP) specimen. The target missions for March 31, 2020 is eleven, which three or four will be COVID-19 and remainder to be BAP. Mr. Schmidt stated the COVID-19 mission is to assist Mayo Clinic as they open up for testing of the general public. Mr. Schmidt stated the service will continue for one month. He added that all Automation projects are on track.

Chairman Holzendorf thanked the JTA and vehicle partners for the great work with the Mayo Clinic.

Vice Chair Jolly stated she was excited about the creativity and the ability to highlight the use of AVs. She stated the team has done remarkable work and congratulated them.

Chairman Holzendorf stated as a Board it is important that they have infrastructure in place for things that come up, which allows thinking outside the box and do these type of things without starting from the beginning. He thanked the Board for putting processes in place that gives JTA and staff the ability to think outside of the box.

Mr. Ford also thanked the Board for the process that are in place to create the outside of the box-thinking environment. This environment has created an opportunity for risk taking, and a vision and mission that goes far beyond a bus going down the street. Mr. Ford stated it is a pleasure to work for the JTA and its Board. He added that this partnership with Mayo will be made public on April 1, 2020.

Vice Chair Jolly asked if this opportunity had communicated to the Federal Transit Administration (FTA). Mr. Ford stated the FTA was briefed and asked when a press release would be issued, as this is some positive news during this challenging time with COVID-19.

Mr. Ford advised the Board that Bernard would advise him of when a trip was ready to begin so everyone could see the service first hand.

The Board did receive the opportunity to view the test run during the Board meeting. The scooters being used to accompany the AV were also discussed and how JTA could implement an initiative with scooters at the JRTC.

Mr. Ferguson stated the Board was provided with update memos for their review from each JTA Division and that staff would be available for any questions.

F. FINANCE AND ADMINISTRATION COMMITTEE (Buckland, Committee Chair)
PRESENTATION

1. Financial Update: Fiscal Year 2020 Forecast and Fiscal Year 2021 Projections – Mr. Hayes stated that the February financials year to date showed a projection of a \$2.4 million surplus for the year. He added that the March results have not yet been finalized but knows the situation will change drastically. JTA can expect to experience significant negative financial impact due to COVID-19. Some of these are in the form of additional expenses for cleaning supplies, over time for Operators and Maintenance as personnel continue to provide vital service to the public, and the purchase of protective equipment and other preventive measures. The largest impact will be lost revenue such as passenger fare, sales taxes and gas taxes. Passenger revenue has immediately declined due to ridership; the tax revenue will take a month or so to determine the impact.

Mr. Hayes discussed the Fiscal Year 2020 budget as amended in December 2019 to include an additional \$1 million for passenger fare. There is \$122 million for the revenue budget and \$122 million expenses. Mr. Hayes stated the financial impact based on the forecast passenger fares are expected to be below budget by over 30 percent, \$3 million by the end of the fiscal year. Sale tax is JTA's largest revenue source which is projected to be down 10 percent and over \$6 million for the full year.

Mr. Hayes stated expenses for additional services and supplies, as well as overtime for operations are being tracked through special accounts, which were created when the crisis first started to ensure clear visibility and ability to recoup cost for these additional expenses.

Mr. Hayes discussed the details of the forecast and that there are three model scenarios for Fiscal Year 2020. He stated the most likely model shows a \$5.3 million deficit at the end of the fiscal year. If the pandemic extends, the deficit will be larger. He added that the model will be carried forward as the Fiscal Year 2021 budget is prepared. The estimated revenue impact for Fiscal Year 2021 is \$10 to \$12 million. Mr. Hayes advised the new Board Members of the schedule for their review and approval of the annual budget.

Director Driver asked about the grants in the amount of \$18.9 million, if there was any assumption of stimulus payment. Mr. Hayes stated that at this point there is not, but staff is reviewing the actions the Federal Government has taken in recent days.

Chairman Holzendorf stated Director Rumlin has joined the called.

Chairman Holzendorf asked Mr. Hayes how often the models be re-ran as actual data becomes available in order to review the projections. Mr. Hayes stated the models are ran daily.

Chairman Holzendorf asked Mr. Ford how he would handle updates. He stated the Board wants to be available to receive updates in order to be engaged with key decision points. Mr. Ford responded that this may require the Finance Committee to meet every two weeks in order to get financial updates as the challenges play out over the fiscal year, but staff will provide updates at the monthly Board meeting, and will also provide updates on the plan that is put in place to strategically control cost in order to meet the current budget on target. The Fiscal Year 2021 budget has to be approved by the end of May 2020 in order to comply with the City statue. Mr. Ford stated the Board will be updated every two weeks over the next couple of months to hear the strategy, implementation of financing for Fiscal Year 2020 and the budget for Fiscal Year 2021.

Mr. Hayes shared that the Leadership Team has taken actions to mitigate the unfavorable revenue through expense savings. The actions identified to reduce the \$5.3 million deficit are reducing contractual spend, reducing travel and training, implementing a hiring freeze, reducing

temporary employees, reducing bus service levels and eliminating some alternative services. The goal of the process was to close the gap through internal actions only. This would best position the Authority for the Fiscal Year 2021 budget while also expecting the revenue shortfall. The modified Saturday bus service will continue through May 3, 2020 at which time an amended service will be implemented through the end of the year. Mr. Hayes stated public transportation is a vital service but staff must also recognize that ridership may be impacted for an extended period.

Mr. Hayes stated we are in the midst of an unprecedented and unpredictable crisis. JTA has taken numerous proactive measures to continue to provide essential service in an efficient manner. Mr. Hayes stated the team will continue to update the model and address issues as they arise.

Mr. Ford stated there has been a great deal of work conducted by the JTA staff to take proactive, thoughtful and deliberate actions in order to land the budget on target for Fiscal Year 2020. He stated depending on any future forecast, positive or negative adjustments can be made accordingly because some of the actions will take time to implement over the next couple weeks if not a couple of months. Mr. Ford stated he believes that staff has a solid group of recommendations and actions that can be taken. He stated the biggest challenge will be Fiscal Year 2021. Mr. Ford stated if nothing is done, the projections show JTA could have a \$10-\$12 million deficit for Fiscal Year 2021. This would require more actions from the staff to make recommendations to the Board in order to close the budget window. Mr. Ford stated that staff continues to look for cost-saving measures as well as revenue generating measures. Mr. Ford stated the Board will be informed and that staff will seek guidance as decisions are made and ultimately submit a budget for Fiscal Year 2021 to the Board for review and approval at the May 28, 2020 Board meeting.

Chairman Holzendorf thanked the Finance Committee, Director Buckland, Mr. Ford and Mr. Hayes and everyone on the team for putting the financial information together. He was very impressed with the report that was given and asked that as actual numbers are received that the information be communicated to the Board. He stated the staff could determine the timeframe as to when the information is communicated to the Board. Chairman Holzendorf asked that the numbers related to the impact of COVID-19 also be communicated to the Board.

Director Buckland stated she appreciated an organization with strong financial flexibility and it becomes apparent during times like this when everything is moving constantly on a daily basis that JTA has that flexibility. She thanked Mr. Hayes for his work presenting three different scenarios for the Board to consider when things are changing daily. Director Buckland stated she

felt confident coming out of the early briefings that there is validity of financial flexibility without compromising the service levels.

G. OLD BUSINESS - None

H. NEW BUSINESS

1. **RESOLUTION 2020-04: RECOGNITION OF LISA DARNALL** – A video highlighting Lisa's contributions to the JTA and the impact she had on the JTA and the transportation industry was shared.


The Board and Mr. Ford shared a few words of appreciation, as did Ms. Darnall for her time with the Authority.

Chairman Holzendorf presented Resolution 2020-04 for adoption by the Board.

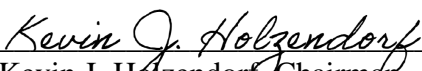
MOTION (Jolly/Buckland) to approve Resolution 2020-04: Recognition of Lisa Darnall.
Motion Approved (6-0).

There being no further business, the meeting adjourned at 3:29 p.m.

SEAL



Debbie Buckland, Secretary



Kevin J. Holzendorf, Chairman